

April 28, 2015

A regular meeting of the Council of the Town of Bedford, Virginia, was held in the Council Hall of the Municipal Building at 7:00 p.m., April 28, 2015.

Members present: Mayor Robert T Wandrei; Councilman Tim Black; Councilman Robert D. Carson; Councilman Stacey L. Hailey; Vice Mayor Steve C. Rush; Councilman Beckham A. Stanley; and Councilman James A. Vest

Members absent: None

Staff present: Town Manager Charles P. Kolakowski; Town Attorney W. W. Berry, IV; and Clerk of the Council Teresa W. Hatcher

Mayor Wandrei opened the meeting and led all present in saying the Pledge of Allegiance to the Flag.

Mayor Wandrei declared that the minutes of a regular Council meeting held on April 14, 2015, were approved as distributed.

Town Manager Kolakowski reported on the following:

- The first Community Market at the Centertown Pavilion will be held on Saturday, May 2, 2015, in conjunction with the Farmer's Market. The Farmer's Market will be held on Friday.
- There is a public hearing at this meeting on the proposed tax rate for the Fiscal Year 2016.
- There are two matters for closed session.

The Mayor announced that at the next meeting Council will go to summer dress.

Mayor Wandrei stated that he and several others went to The Harvester in Rocky Mount. He asked the Town Manager to see what could be done in Bedford along those lines. The Mayor said it could encourage people to visit Main Street, and the School Committee could look at what they have done in Rocky Mount.

Councilman Stanley commended D. W. Lawhorne, Public Works Director, for a great turnout for the Keep Bedford Beautiful Cleanup Day. Mr. Stanley said that 900 lbs of garbage was picked up.

Councilman Vest, Chairman of the Finance Committee, said the committee met earlier in the evening regarding budget projections. He said it is going to be close as to how the Town finishes the year.

The following items were added to the agenda: a Closed Session and Discussion of the dumpster on Orange Street.

The Clerk of Council read aloud the Notice of Public Hearing:

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**TOWN OF BEDFORD  
NOTICE OF PUBLIC HEARING  
PROPOSED TAX INCREASE**

A public hearing will be conducted by the Town Council in the Council Hall of the Municipal Building, 215 East Main Street, Bedford, Virginia, beginning at 7:00 p.m. on Tuesday, April 28, 2015, to receive comments on proposed ordinances increasing certain tax rates for the Tax Year 2016. These tax rates are to support and fund the proposed budget for Fiscal Year 2015-2016.

The proposed increased rates per \$100 of assessed valuation are set forth below:

	<u>Current FY</u> 2014-2015	<u>Proposed FY</u> 2015-2016
Mobile Homes	\$0.30	\$0.32
Real Estate	\$0.30	\$0.32

There are no proposed increases in the following tax rates:

General Tangible Personal Property	\$1.06
Business Tangible Personal Property	\$.000001
Machinery & Tools	\$.000001
Motor Carriers	\$.000001
One Vehicle Owned by Disabled Veteran	\$.000001
Motor Vehicles (more than 30 seating)	\$.000001

A full copy of the proposed ordinances is available for public review in the Town Manager's Office, Municipal Building, 215 East Main Street, Bedford, Virginia, during normal business hours.

By Order of the Bedford Town Council  
Teresa W. Hatcher, Clerk

Mayor Wandrei opened the Public Hearing at 7:07 p.m. As there were no comments, the Mayor closed the Public Hearing at 7:07 p.m.

Vice Mayor Rush moved that Council adopt the budget (Fiscal Year 2015-2016 Budget) as submitted with a thirty-two cent tax rate. The motion was seconded by Councilman Black.

Councilman Vest said the proposal that Mr. Kolakowski presented to Council was very difficult for everybody to deal with. Mr. Vest stated that he had not changed his position since the last meeting. He felt the tax rate could have been left as it was if Council had used some synergies and the cuts that had been suggested. Councilman Vest said he was not in favor of the thirty-two cent tax rate.

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The motion to adopt the budget was then voted upon by the following roll call vote:

Councilman Black	aye
Councilman Carson	aye
Councilman Hailey	aye
Vice Mayor Rush	aye
Councilman Stanley	aye
Councilman Vest	nay
Mayor Wandrei	aye

Vice Mayor Rush moved that Council set the real estate tax rate for FY 2015-16 at \$0.32. The motion was seconded by Councilman Carson.

The Town Manager said that Section 58.1-3005 of the Code of Virginia of 1950, as amended, requires that Council annually levy a tax on all real estate located within the town. A proposed ordinance establishes a tax rate for Fiscal Year 2015-16 of \$0.32 per one hundred dollars of assessed valuation. Mr. Kolakowski said that Council was requested to adopt the ordinance establishing the real estate tax rate for Fiscal Year 2015-16 at \$0.32 per one hundred dollars of assessed valuation.

The motion was then voted upon and carried by the following roll call vote:

Councilman Carson	aye
Councilman Hailey	aye
Vice Mayor Rush	aye
Councilman Stanley	aye
Councilman Vest	nay
Councilman Black	aye
Mayor Wandrei	aye

The ordinance follows as adopted:

#### **ORDINANCE NO. 15-9**

#### **AN ORDINANCE LEVYING TAX UPON REAL ESTATE AND CERTAIN TANGIBLE PERSONAL PROPERTY OF PUBLIC SERVICE CORPORATIONS AND ESTABLISHING THE TAX RATE THEREON FOR THE FISCAL YEAR BEGINNING JULY 1, 2015**

#### **ORDINANCE**

**BE IT ORDAINED** by the Town Council of the Town of Bedford, Virginia, that there be, and is hereby levied for the Fiscal Year 2015-2016, a tax rate of \$0.32 per one hundred dollars of assessed valuation on all taxable real estate located in the Town, the respective levy hereby ordered being also applicable to the real estate and tangible personal property of public service corporations within the limitations

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specified by Section 58.1-2606 of the Code of Virginia of 1950, as amended, based upon the assessment thereof fixed by the State Corporation Commission and duly certified.

The Town Manager read aloud the following: Section 58.1-3005 of the Code of Virginia of 1950, as amended, requires that Council shall annually levy a tax on tangible personal property located within the Town. The proposed ordinance establishes a tax rate for calendar year 2015 of \$1.06 per one hundred dollars of one hundred per centum (100%) of assessed value on all taxable tangible personal property, with the exception of household goods and personal effects as classified in §58.1-3504 and horses, mules and other kindred animals, hogs, poultry, grains and other feeds used for the nurture of farm animals, grain and tobacco; cattle, sheep and goats, farm machinery and farm implements as such items are classified in Section 58.1-3505. All tangible personal property employed in a trade or business other than that described in subdivisions 1 through 16 of §58.1-3503 is taxed at a levy of \$0.000001 per one hundred dollars of one hundred per centum (100%) of the assessed valuation. One vehicle owned by disabled veterans are taxed at a rate of \$0.000001 per one hundred dollars of one hundred per centum (100%) of assessed value on taxable tangible personal property, separately classified in Section 58.1-3506 (a) (19). The ordinance also establishes a tax rate of \$0.000001 per one hundred dollars of one hundred per centum (100%) of assessed valuation on machinery and tools as classified in §58.1-3507, motor carriers as separately classified in §58.1.3506, and motor vehicles with a seating capacity of not less than 30 persons, including the driver as classified in §58.1—3506(a)(39) . The ordinance has been posted in accordance with §2-54 of the Town Code. Town Council is requested to adopt the ordinance establishing the personal property tax rate for Calendar Year 2015.

On motion by Councilman Hailey, seconded by Vice Mayor Rush, voted upon and carried unanimously by the following roll call vote, Council adopted the ordinance establishing the personal property tax rate for Calendar Year 2015.

Councilman Hailey	aye
Vice Mayor Rush	aye
Councilman Stanley	aye
Councilman Vest	aye
Councilman Black	aye
Councilman Carson	aye
Mayor Wandrei	aye

The ordinance follows as adopted:

**ORDINANCE NO. 15-10**

**AN ORDINANCE LEVYING TAX UPON TANGIBLE  
PERSONAL PROPERTY AND ESTABLISHING THE  
TAX RATES THEREON FOR THE CALENDAR YEAR  
BEGINNING JANUARY 1, 2015  
ORDINANCE**

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**BE IT ORDAINED** by the Town Council of the Town of Bedford, Virginia, that there be, and is hereby levied, for the calendar year 2015, a tax rate of \$1.06 per one hundred dollars of one hundred per centum (100%) of assessed value on all taxable tangible personal property, including property separately classified in Section 58.1-3503 of the Code of Virginia, 1950, as amended, unless exempted from taxation or subject to a different rate under this ordinance. All tangible personal property employed in a trade or business other than that described in subdivision 1 through 18 of Section 58.1-3503 is taxed at a levy of \$0.000001 per one hundred dollars of one hundred per centum (100%) of the assessed valuation. Household goods and personal effects as classified in Section 58.1-3504 and horses, mules and other kindred animals, hogs, poultry, grains and other feeds used for the nurture of farm animals, grain and tobacco; cattle, sheep and goats, farm machinery and farm implements as such items are classified in Section 58.1-3505 are exempted in whole from tangible personal property taxation. The following items are taxed at a rate of \$0.000001 per one hundred dollars of one hundred per centum (100%) of the assessed valuation: (a) machinery and tools separately classified in Section 58.1-3507; and (b) motor carriers as separately classified in Section 58.1-3506; (c) one vehicle owned by disabled veterans, of the Code of Virginia, 1950, as amended, as separately classified in Section 58.1-3506(a)(19); and (d) motor vehicles with a seating capacity of not less than 30 persons, including the driver, as separately classified in Section 58.1-3506 (a) (39).

Town Manager Kolakowski read aloud the following: the Virginia General Assembly in 1998 passed the Personal Property Tax Relief Act with the philosophy that relief would be gradually implemented to eliminate personal property tax on personal use motor vehicles. By 2004, the Virginia General Assembly had revised its philosophy and capped the contribution from the Commonwealth to localities for reimbursement for personal property taxes. As a result, the City Council, on November 22, 2005, in accordance with state statutes, adopted an ordinance which provided that the funds to be reimbursed to the City of Bedford by the Commonwealth would be allocated in such a manner as to eliminate personal property taxation on each qualifying vehicle with an assessed value of \$1,000 or less and that the Council would set, annually by resolution, a percentage of relief in respect to assessed values of more than \$1,000 as applied to the first \$20,000 in value of each such qualifying vehicle so as to exhaust fully the PPTRA funds provided to the City by the Commonwealth. The Finance Director has been advised that the State has allocated \$280,647 toward personal property tax relief in the Town of Bedford for fiscal year 2015-2016. Based upon projected personal property tax valuations, staff recommends that Council resolve to provide that the state relief funds be allocated in the following ways for fiscal year 2015-2016: (a) personal property taxation upon qualifying vehicles with an assessed value no more than \$20,000 will have 100% of the applicable tax relieved, and (b) the applicable tax rate shall apply to all assessed values over \$20,000 and to all non-qualifying vehicles. Town Council is requested to adopt the resolution as recommended by staff.

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On motion by Councilman Black, seconded by Councilman Hailey, voted upon and carried by the following roll call vote, Council adopted the resolution establishing a percentage tax relief rate:

Vice Mayor Rush	aye
Councilman Stanley	aye
Councilman Vest	aye
Councilman Black	aye
Councilman Carson	aye
Councilman Hailey	aye
Mayor Wandrei	aye

The resolution follows as adopted:

**A RESOLUTION ESTABLISHING A  
PERCENTAGE TAX RELIEF RATE PURSUANT TO THE  
VIRGINIA PERSONAL PROPERTY TAX RELIEF ACT**

**WHEREAS**, the Virginia General Assembly in 1998 passed the Personal Property Relief Act based upon a philosophy that in passing the Act the personal property tax on personal motor vehicles would be eliminated; and

**WEHREAS**, in 2001, the Virginia General Assembly set the reimbursement rate to localities for personal property taxes for personal vehicles at seventy percent (70%) of the personal property tax amount; and

**WHEREAS**, in 2004, the Virginia General Assembly enacted statutes which drastically changed the philosophy of the Act and capped the contribution of the Commonwealth to localities for reimbursement for personal property taxes; and

**WHEREAS**, on November 22, 2005, the City Council of the City of Bedford passed an ordinance (Ordinance No. 05-24) which provided, among other things, that the allocation of personal property tax relief be allocated in such a manner as to eliminate personal property taxation on each qualifying vehicle with an assessed value of \$1,000 or less and that with respect to qualifying vehicles with assessed values of more than \$1,000 the City Council, by resolution, would set annually a percentage to be applied to the first \$20,000 in value of each such qualifying vehicle that based upon estimates of assessments would use up all remaining available state personal property tax relief; and

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF  
THE TOWN OF BEDFORD AS FOLLOWS:**

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Section 1. In accordance with the requirements set forth in Section 58.1-3524(C) (2) and Section 58.1-3912(E) of the Code of Virginia, as amended by Chapter 1 of the Acts of Assembly (2004 Special Session 1) and as set forth in item 503.E (Personal Property Tax Relief Program) of Chapter 951 of the 2005 Acts of Assembly any qualifying vehicle having a situs within the Town commencing January 1, 2015, shall receive personal property tax relief in the following manner:

- Personal use vehicles valued up to \$20,000 will be eligible for 100% tax relief;
- Personal use vehicles valued at \$20,001 or more shall only receive 100% tax relief on the first \$20,000 of value with the applicable tax rate applied to the value over \$20,000; and
- All other vehicles which do not meet the definition of “qualifying” (business use vehicles, farm use vehicles, motor home, etc.) will not be eligible for any form of tax relief under this program.

Section 2. Any amount of Personal Property Tax Relief Act relief not used within and the Town’s fiscal year shall be carried forward and used to increase the funds available for personal property tax relief in the following fiscal year.

Section 3. This Resolution shall take effect on July 1, 2015.

The Town Manager said that Section 58.1-3005 of the Code of Virginia of 1950, as amended, requires that Council shall, on a regular basis, make an appropriation of funds for expenditure by the Town. The proposed ordinance directs that the funds as set out in the budget for Fiscal Year 2015-2016 be appropriated and set aside to the appropriate funds, and authorizes the Town Manager to expend the funds in accordance with said budget and in accordance with prior appropriations. The ordinance denoting the original appropriations has been posted in accordance with §2-54 of the Town Code. Town Council is requested to adopt the ordinance appropriating funds as set out in the budget for Fiscal Year 2015-2016 and authorize the Town Manager to expend the funds in accordance with said budget.

On motion by Councilman Carson, seconded by Vice Mayor Rush, voted upon and carried unanimously by a roll call vote, Council was requested to adopt the ordinance appropriating funds as set out in the budget for Fiscal Year 2015-2016 and authorize the Town Manager to expend the funds in accordance with said budget. Roll call vote follows:

Councilman Stanley	aye
Councilman Vest	aye
Councilman Black	aye

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Councilman Carson	aye
Councilman Hailey	aye
Vice Mayor Rush	aye
Mayor Wandrei	aye

The Ordinance follows as adopted:

**ORDINANCE NO. 15-11**

**BE IT ORDAINED** that the Town Council of the Town of Bedford, Virginia, hereby directs that the funds as set out in the budget for Fiscal Year 2015-2016 for the Town of Bedford are appropriated and set aside to the General Fund, to the Solid Waste Fund, to the Electric Fund, to the General Capital Projects Fund, to the Solid Waste Capital Projects Fund, and to the Electric Capital Projects Fund, as shown in said budget, and that the Town Manager is authorized to expend the funds in the General Fund, Solid Waste Fund, Electric Fund, General Capital Projects Fund, Solid Waste Capital Projects Fund, and Electric Capital Projects Fund in accordance with said budget and in accordance with prior appropriations.

Mayor Wandrei said a matter mentioned at the Finance Committee meeting was the closing of the dumpster site on Orange Street, which could save the Town approximately \$36,000 to \$40,000. The Mayor said he would like Council to consider that at the next meeting. The Mayor asked the staff to provide an estimate of what the annual savings would be if the site were closed and the trash went to the County landfill.

Councilman Hailey moved that Council adjourn into closed session pursuant to Section 2.2-3711(a)(3) of the Code of Virginia of 1950, as amended for the acquisition or disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position. Vice Mayor Rush seconded the motion. The motion was voted upon and carried by the following roll call vote:

Councilman Vest	aye
Councilman Black	aye
Councilman Carson	aye
Councilman Hailey	aye
Vice Mayor Rush	aye
Councilman Stanley	aye
Mayor Wandrei	aye

Council adjourned into closed session at 7:20 p.m. The following non-council members attended: Town Manager Kolakowski; Town Attorney W. W. Berry, IV; Assistant Town Manager Barrett Warner; and Sonia Jammes, Director of Finance



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Council reconvened into open session at 7:35 p.m.

The Clerk of Council read aloud the following resolution:

**BE IT RESOLVED** that the Council of the Town of Bedford hereby certifies that (1) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (2) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Council.

On motion by Vice Mayor Rush, seconded by Councilman Hailey, voted upon and carried by a roll call vote, Council adopted the resolution. Roll call vote follows:

Councilman Black	aye
Councilman Carson	aye
Councilman Hailey	aye
Vice Mayor Rush	aye
Councilman Stanley	aye
Councilman Vest	aye
Mayor Wandrei	aye

Mayor Wandrei stated that an item added to the agenda for Council's consideration was a resolution authorizing the Town Manager to solicit proposals for the sale of a Town owned parcel (195-A-40T) located at 1000 Grove Street.

On motion by Councilman Rush, seconded by Councilman Hailey, voted upon and carried unanimously by a roll call vote, Council adopted the resolution. Roll call vote follows:

Councilman Carson	aye
Councilman Hailey	aye
Vice Mayor Rush	aye
Councilman Stanley	aye
Councilman Vest	aye
Councilman Black	aye
Mayor Wandrei	aye

The resolution follows as adopted:

### **RESOLUTION**

Be it hereby resolved that the Town Manager is authorized to solicit proposals for the sale of a Town owned parcel (195-A-40T) located at 1000 Grove Street.

Mayor Wandrei adjourned the meeting at 7:37 p.m.